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PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #0478/01 0620117  
ZNR UUUUU ZZH  
P 030117Z MAR 09  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 1173  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
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UNCLAS SECTION 01 OF 08 TOKYO 000478

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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/03/09

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#### Articles:

#### 1) Gov't pressuring N. Korea to deter missile launch

NIKKEI (Page 2) (Full)  
March 3, 2009

In response to signs indicating that North Korea is preparing to launch a long-range ballistic missile, the government is increasingly pressuring North Korea to deter that country from launching missiles. Japan is now in a hurry to cooperate with the United States, China, and South Korea. In addition, the government will not preclude the possibility of intercepting missiles with Japan's missile defense (MD) system. In case North Korea launched a missile, the United Nations Security Council will likely take such steps as adopting a resolution.

"If there is a possibility of Japan suffering direct damage, that would enable us to take action under the Self-Defense Forces Law." With this, Prime Minister Taro Aso answered a question from reporters yesterday evening at his office, implying that Japan may intercept a North Korean projectile with its MD system even if North Korea claims that the projectile is an artificial satellite. A senior Defense Ministry official also said: "Basically, we will defend places we need to defend. We will make a judgment to intercept, depending on whether it could come across over to Japan."

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But it will not be easy to take counteraction with the MD system. If the MD system successfully intercepts a missile, it would make North Korea hesitate to develop missiles. However, if the MD system fails to shoot down a missile, it would raise questions about the MD deployment plan, in which the government has invested a huge amount of money. Intercepting a launched missile at a stage where its destination is unknown is feared to conflict with the use of the right to collective self-defense that the government has prohibited in its constitutional interpretation.

"The important thing is for no missile to be launched," Administrative Vice Foreign Minister Mitoji Yabunaka told a news conference yesterday, stressing that Japan would step up its pressure on North Korea to deter North Korea from launching missiles. Japan is currently a nonpermanent UNSC member. A high-ranking government official presumes that Japan's pressure at an early stage would be effective in convincing North Korea to exercise self-restraint.

What lies behind the situation is North Korea's successful nuclear test in October 2006. At that time, Japan, which was presiding over the UNSC as its nonpermanent member, took the initiative for the UNSC's early adoption of a statement to impose sanctions on North Korea.

This time as well, if North Korea launches a missile, Japan will immediately ask the UNSC to meet. A government official said: "Japan will cooperate with the United States, too. The UNSC is expected to adopt a resolution to denounce North Korea." However, if China and Russia disagree, the UNSC may go no further than to adopt a chairman's statement. It will be important for Japan to coordinate with other countries.

#### 2) U.S.-ROK exercise might be target; Defense Ministry alarmed at possible Taepodong-2 launch in mid-March

SANKEI (Top play) (Excerpts)  
March 3, 2009

Naohisa Hanzawa

Given North Korea's preparations for the launch of an improved version of the long-range ballistic missile Taepodong-2, the Defense Ministry strongly speculates that there could be a launch in

mid-March. The conclusion is based on the ministry's analysis of preparations being made around the launch pad and other factors. The ministry is also paying attention to the fact that a U.S.-ROK joint military exercise is scheduled to take place around that time. Although some have suggested that the launch would not take place until April or later due to weather conditions, the Self-Defense Forces and the U.S. military are expected to heighten alert, regarding mid-March as the climax for the time being.

#### Preparations for two months

A reconnaissance satellite has detected an object looking like a long pipe near the launch pad on the Musudanri base in Hamgyong-bukto which was making preparations for a missile launch. It might be a piece of equipment to fuel the missile.

Preparations that began in late January have passed the halfway point for the launch, according to a senior SDF officer. On July 5,

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2006, the North fired seven ballistic missiles, including a Taepodong-2. For the launches, preparations began in early May, two months before the event. This is one of the grounds underpinning the mid-March theory.

It is believed that the missile is still in the silo and is not yet mounted on the pad. The missile will be fueled after it is set on the pad. Some observers think it will take five to seven days to fuel the missile. The SDF officer took this view: "Fueling takes only several hours. Once the missile is fueled, there is a need to launch it before the fuel becomes eroded. The North might launch it in three days after mounting it on the launch pad."

#### Possible scenario

The ministry is alarmed that the North might time the envisaged missile launch to coincide with: (1) the 12th Supreme People's Assembly election on March 8, or (2) the 97th anniversary of the late President Kim Il Sung's birth on April 15.

The last time, the North fired a Taepodong-2 on July 4, the United States' Independence Day. A senior Defense Ministry official indicated that Pyongyang, which wants to bring Washington to a direct dialogue, would target a time that can have a strong impact on the United States.

In that context as well, there is a need to watch out in mid-March. The reason is because the United States and South Korea are scheduled to conduct the Key Resolve and Foal Eagle joint military exercises in the South from March 9 to 20 to increase their defense capabilities against any contingencies on the Korean Peninsula.

Another SDF officer thinks the North would avoid wintertime when a missile is affected by strong winds called jet streams. As seen in the launches of a Rodong in May 1993, a Taepodong-1 in August 1998, and a Taepodong-2, the North actually avoided wintertime in the past.

#### Moves by Japan and the United States

How are the governments of Japan and the United States, which are considering intercepting an incoming missile by using a missile defense (MD) system, going to deal with the situation?

"When Cobra Balls stepped up their activities, we should regard that the United States has concluded that the situation has become imminent," the same senior Defense Ministry official said. The U.S. military deployed RC-135S Cobra Ball missile surveillance planes at its Kadena Air Base on Feb. 13. They have yet to fly long hours daily like immediately before the latest launch of a Taepodong-2.

3) MSDF destroyers to set sail March 14 for Somalia mission

The Defense Ministry yesterday entered into the final phase of coordination with the Maritime Self-Defense Force in order to send out two MSDF destroyers from its Kure-based Escort Flotilla 4 for an antipiracy mission to be conducted in waters off the eastern African coast of Somalia by invoking an action for maritime security operations under the Self-Defense Forces Law. The two MSDF

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destroyers will convoy Japanese ships in the Gulf of Aden, and their arrival in waters near the Gulf of Aden is expected to be in early April. Prior to this, the government is expected to call the Security Council of Japan on March 13. Defense Minister Yasukazu Hamada will then issue an order for maritime security operations.

The MSDF destroyers for deployment to waters off the coast of Somalia are the Sazanami (4,650 tons) and the Samidare (4,550 tons). The two MSDF destroyers will leave the Kure base with a total of three SH-60K Seahawk patrol helicopters mounted, including a backup. They will also have Japan Coast Guard rangers and rigid-hulled inflatable boats (RHIB) onboard so they can take such actions as detaining pirates.

4) Ozawa's remark on USFJ realignment creating discord between DPJ, SDP

MAINICHI (Page 5) (Excerpts)  
March 3, 2009

Democratic Party of Japan (DPJ) President Ichiro Ozawa's remark that the presence of the U.S. forces in Japan should be scaled down is now creating discord between the DPJ and the Social Democratic Party (SDP), with which the DPJ is expected to form a coalition government after (if it wins) the next general election of the House of Representatives. The reason is that the SDP takes Ozawa's comment to mean that he not only aims to reduce the U.S. military presence but also to strengthen Japan's defense power. The party is concerned that Ozawa's concept might lead to amending the Constitution and changing the interpretation of the use of the right of collective self-defense. Some SDP executives have contended that since the issue is related to the party line of protecting the Constitution from change, it has now become difficult to hold discussion on forming a coalition. The DPJ now has a new source of trouble.

The SDP held a meeting on Feb. 28 of representatives from across the nation at the party's headquarters. About 100 representatives attended the meeting, in which views opposing the idea of forming a coalition with the DPJ were raised, with one member saying: "I don't want the party to say that it will form a coalition with the DPJ." Another participant said: "They are the same as the rightwing group of the Liberal Democratic Party members."

SDP Chairperson Mizuho Fukushima told a Mainichi Shimbun reporter yesterday: "In the SDP, we speak our honest feelings. It was a good meeting because I could hear various views." As to the idea of forming a coalition government with the DPJ, she just said: "We will make a decision in our good time after hearing views from everyone."

Ozawa said on Feb. 24: "The U.S. Navy's 7th Fleet would be enough of a U.S. military presence in the Far East if Japan assumes other roles. Since Ozawa has stressed the need for building a relationship of equality between Japan and the United States in such occasions as a meeting with U.S. Secretary of State Hillary Clinton, Ozawa's comment on the 7th Fleet implies that the DPJ will review Japan's global strategy based on the present realignment of the U.S. forces in Japan."

However, Ozawa has said no more than that the 7th Fleet would be enough. The U.S. 7th Fleet, which covers the western Pacific and the Indian Ocean, is based at the Yokosuka Naval Base in Japan. The 7th Fleet is deployed also to Sasebo and Okinawa. It is unclear Ozawa's

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remark that the U.S. military would be withdrawn and Japan would then assume that part means. A senior SDP member said: "The

ambiguous idea would lead to the building-up of the Self-Defense Forces and to constitutional amendments."

5) Council on assistance to Gaza Strip announces disbursement of 430 billion yen: Japan to provide 19.5 billion yen

YOMIURI (Page 2) (Full)  
March 3, 2009

Toshiyuki Fukushima, Sharm el-Sheikh

An international conference on assistance for the reconstruction of the Palestinian-controlled Gaza Strip, which was heavily damaged by attacks carried out by Israel for 22 days, took place on March 2 in Sharm el-Sheikh in eastern Egypt. Seventy-five countries joined the meeting. According to Foreign Minister Aboul Gheit of Egypt, the host nation, participating countries announced disbursements totaling roughly 4.5 billion dollars or about 436.5 billion yen in aid. The meeting brought together U.S. Secretary of State Clinton, French President Sarkozy, UN Secretary General Ban Ki-moon and others. Representatives of Israel and the Hamas, an Islamic fundamentalist group, were not invited.

The Palestinian Authority is seeking 2.8 billion dollars or roughly 271.6 billion yen in reconstruction funds. Senior Vice Foreign Minister Shintaro Ito, representing Japan, announced Japan's disbursement of 200 million dollars or approximately 19.5 billion yen for humanitarian assistance. The U.S. announced assistance worth 900 million dollars or about 19.5 billion yen. The EU will provide 553 million dollars or about 53.6 billion yen. Saudi Arabia will disburse 1 billion dollars or about 97 billion yen.

Donor nations do not want the Hamas to obtain their aid money. For a smooth handover of the assistance funds, it is imperative that a unified government be formed, as agreed on between the Fatah led by Palestinian Authority President Abbas and Hamas late last month. In order to bring in construction materials into the Gaza Strip, it is essential for Israel to open border crossings to that area.

6) Aso decides to receive cash handout

YOMIURI (Page 1) (Full)  
March 3, 2009

Prime Minister Taro Aso announced in an executive meeting of the Liberal Democratic Party yesterday that he will receive a payment under a controversial cash handout plan. The plan is included in the fiscal 2008 second extra budget. Aso had initially said that he had no intention of accepting the handout, but he changed his mind, based on the judgment that it is necessary for him to receive the payment in view of urging the people to increase consumption.

After the executive meeting, Aso told reporters at his official residence: "I will receive the money. I will use it immediately to stimulate consumption." Asked why he changed his mind, Aso explained: "Honestly speaking, I was feeling that it would be shameful for me to receive the money. Now, though, I feel more keenly the need to stimulate consumption."

In the meeting, LDP Secretary General Hosoda announced a plan to

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send notice to LDP lawmakers on the 3rd instructing them to receive cash handouts. In response, Aso said: "If there is such a purpose, I will receive the cash."

Last November, Aso clearly said: "I have no intention of receiving the payment." He had also indicated that high-income earners, including him, should voluntarily decline the payments, calling it "shameful" for such people to receive the money. Since early this year, however, he has begun to suggest, "Even high-income earners should fully use the money." But when asked whether he would receive the money, Aso just said: "I will make up my mind once a bill to implement the handout plan is enacted." The government also intends to advise all cabinet ministers today to receive cash handouts.

7) Opposition blasts Prime Minister Aso for saying he will now take government's cash handout: "He has stooped that low"; "He has no pride"

NIKKEI (Page 2) (Full)  
March 3, 2009

The opposition parties have all criticized Prime Minister Aso for saying yesterday that he would now accept the government's cash handout. Democratic Party of Japan Secretary General Yukio Hatoyama spoke with sarcasm to the press corps: "He has stooped that low. His responses have continued to be unseemly. If it is a matter of saving his honor, he should have upheld his pride to the end. Since he had said he wouldn't accept it, there's not much I can say." Social Democratic Party Secretary General Yasumasa Shigeno said: "I only get the feeling that this is a prime minister who really treats words lightly."

8) LDP Koga's proposal for Diet dissolution after passage of fiscal 2009 extra budget aimed to check "dump-Aso" moves, pressure Aso, who intends to stay in office

TOKYO SHIMBUN (Page 2) (Excerpts)  
March 3, 2009

Moves in the Liberal Democratic Party to replace Prime Minister Taro Aso have been gaining momentum recently. Under such circumstances, Election Strategy Council Chairman Makoto Koga proposed on March 1 that the House of Representatives be dissolved after the fiscal 2009 supplementary budget is enacted. His call is aimed both at keep in check moves to oust Aso and at pressuring Aso, who apparently intends to cling to his office until just before the expiration of the Lower House members' terms of office in September.

Appearing on a TV program on March 1, Koga said that he thought sometime just after the fiscal 2009 extra budget cleared the Diet would be the appropriate timing for dissolving the Lower House. He added: "I am going to frankly express my view to the prime minister."

Koga had stopped short of mentioning the issue of Diet dissolution, reasoning that the issue is under the exclusive control of the prime minister.

It is expected that an extra budget bill will be submitted to the Diet in April. If a decision is made to dissolve the Lower House after the enactment of the extra budget, the Diet would then likely be dissolved in May or June, although it depends on what response

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the opposition camp might make. The Koga remark is apparently intended to point out the need to give priority to efforts to buoy up the economy instead of Diet dissolution. The remark is also intended to check moves by anti-Aso party members calling for replacing Aso and dissolving the Lower House at an earlier date.

But Koga also said that he would like to advise the prime minister to dissolve the Lower House before the Tokyo Metropolitan Assembly election (on July 12). This suggestion drew much attention.

Given the cabinet's dismal public support ratings, party members close to the prime minister are apparently hopeful of delaying the next Lower House election to sometime after the July G-8 Summit and prolonging the life of the government. This remark is tantamount to indicating that it would be unacceptable for Aso, fully aware of the intention of his remark, to keep his grip on power even after the passage of the extra budget.

9) LDP lawmakers rushing to form groups in preparation for drive to remove Prime Minister Aso from office

MAINICHI (Page 5) (Full)  
March 3, 2009

With Prime Minister Taro Aso's cabinet plummeting in its support rate, lawmakers in the ruling Liberal Democratic Party (LDP) are

forming new study groups. Junior lawmakers, who are now serving in their first, second, or third term in the Diet, formed a group yesterday. Former LDP Secretary General Hidenao Nakagawa, who is critical of the prime minister, has tried to rally those favoring reforms. Although the main purpose of forming such groups is to propose policies to the party for drawing up a set of campaign pledges (manifesto) for the next House of Representatives election, there is also a hidden motive that is prepared for a possible drive to unseat Aso.

The group of junior lawmakers called "Ichinisan no Kai" (tentative name) is led by Itsunori Onodera and Isshu Sugawara, who are now serving as the party's deputy secretary. They asked more than 160 young LDP lawmakers, who have been elected three times or less, to join them. The outlook is that about 40 members will get together. The group plans to ask several mid-level lawmakers, including former Administrative Reform Minister Toshimitsu Motegi, to become its advisors. With the next LDP presidential election before the Lower House election in mind, a main member said: "The group is made up of those critical of Prime Minister Aso. But we will not back any specific candidate in the presidential race."

Nakagawa is expected to launch a group as early as late March when the fiscal 2009 budget clears the Diet. There is also a notion of forming a cross-factional group led by former Prime Minister Junichiro Koizumi as a symbol of the reformists.

In order to substantially review the health insurance system for people aged 75 and over, which has come under severe criticism from the public, there is a move to form a group of LDP lawmakers led by Nobuteru Ishihara, LDP senior deputy secretary general. But LDP lawmakers representing vested interests in health, welfare and labor affairs are moving to constrain them. Therefore, whether they can form a group is uncertain. Kenta Matsunami, who abstained from voting on the fiscal 2008 second supplementary budget, criticizing the cash-handout program, and others will form a group.

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A former cabinet minister explained such a rush of policy groups, saying: "The timing of removing Aso from office will come sooner than expected." At a press conference yesterday, LDP Secretary General Hiroyuki Hosoda said ostensibly calmly: "Diet members are in the habit of forming groups."

10) Tripartite emergency forum on employment eyed by government, labor, management: Employment adjustment system, work sharing as safety net

NIKKEI (Top Play) (Excerpts)  
March 3, 2009

Following the steep decline in the economy, the government, the Japan Business Federation (Nippon Keidanren) and the Japanese Trade Union Confederation (Rengo) have begun to confer on emergency employment measures. Nippon Keidanren and Rengo will on the afternoon of March 3 propose to Labor Minister Yoichi Masuzoe to hold discussion. The meeting will focus on improving the employment adjustment subsidy system and the use of a fund for the creation of jobs in local regions. Amid growing concern over job security, work sharing will also be subject to discussion. The government, labor and management will fall in step in an effort to consolidate a safety net for working people for the first time in seven years.

Rengo, Nippon Keidanren to file request to labor minister today

A government source said that amid the worsened employment situation, there is no reason for the government to turn down such a request by Nippon Keidanren and Rengo. A framework for tripartite talks and the frequency of meetings have yet to be worked out. Emergency talks with eye on maintaining jobs is the first since the previous economic recession in 2002, when the three parties agreed on the definition of work sharing, modeled after the Netherlands. The Netherlands has produced results with the introduction of shorter working hours for regular workers, a system introduced based on government-labor-management talks. The pillars of requests to be

filed jointly by labor and management will include improvement of the employment safety net and creation of new jobs. They will call on the government to further ease the conditions for the use of the employment adjustment subsidy system. They also intend to look into the establishment of a livelihood security system targeting displaced workers who are not covered by the existing employment safety network and ways to improve public vocational training programs.

Gist of labor-management joint proposals to be brought up at emergency employment talks

- ? Improve the employment safety network, including eased requirements for providing employment adjustment subsidies
- ? Maintain jobs, including those for temp workers
- ? Discuss the desired form of Japanese-style work sharing system
- ? Strengthen cross-sectional efforts to create jobs
- ? Establish a framework for government-labor-management talks for effective employment measures

ZUMWALT